ANNUAL
REPORT

CHICAGO TRANSIT AUTHORITY

CHICAGO TRANSIT BOARD

ENGLEWOOD
HOWARD

1959

mRb
q 652.4
c43c85

COVER DESIGN

Three of CTA's new high-speed, light-weight rapid transit cars are shown on grade south of Jarvis station on the North-South "L"-subway route. The cars, manufactured by St. Louis Car Company, have specially designed motors, controls, trucks, gear drives, axles, bearing installations and auxiliary braking. Equipped with 100-horsepower motors and controls, the cars are designed to operate at higher speeds than equipment presently available to the mass transit industry.

CHICAGO TRANSIT AUTHORITY

FIFTEENTH ANNUAL REPORT

CHICAGO TRANSIT BOARD

For the Fiscal Year ended December 31, 1959

MEMBERS OF THE BOARD

and Date Term Expires

William W. McKenna, *Secretary*	M	September 1, 1960
Werner W. Schroeder, *Vice Chairman* . .	G	September 1, 1961
Edward F. Moore	G	September 1, 1962
Mrs. Bernice T. Van der Vries	G	September 1, 1963
James R. Quinn	M	September 1, 1964
Joseph D. Murphy	M	September 1, 1965
Virgil E. Gunlock, *Chairman*	M	September 1, 1966

M—Appointed by the Mayor of the City of Chicago
G—Appointed by the Governor of the State of Illinois

Walter J. McCarter, *General Manager*   William J. Lynch, *General Attorney*

CONTENTS

PAGE

Operating Results 1-6

New Revenue Vehicles 6

Construction Projects

- Wilson Avenue Project 7
- Lake Street Rapid Transit Elevation and Extension 7
- Congress Street Subway 8
- Consolidation of Shops 8
- Desplaines Avenue Terminal 8
- Modernization and Replacement Program 9

Riding Trends 9

Vehicle Miles 10

Speed of Operation and Traffic Conditions 12

Public Safety Best Ever 13

Financial Assistance 15

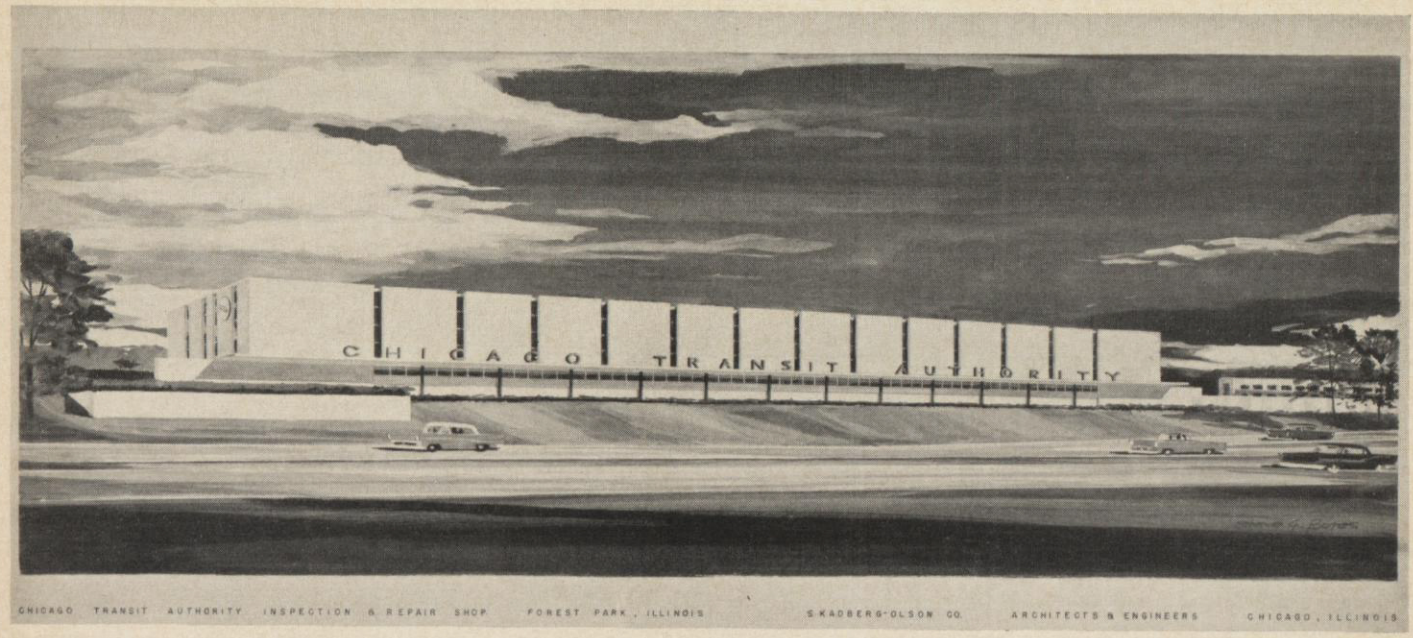
Outlook for 1960

- Financial 16
- Capital Projects 16

Personnel 17

Chicago Transit Board 17

Acknowledgments 17


CHICAGO TRANSIT AUTHORITY
CHICAGO TRANSIT AUTHORITY INSPECTION & REPAIR SHOP FOREST PARK, ILLINOIS
SKADBERG-OLSON CO. ARCHITECTS & ENGINEERS CHICAGO, ILLINOIS

AUG 17 1960 AJ

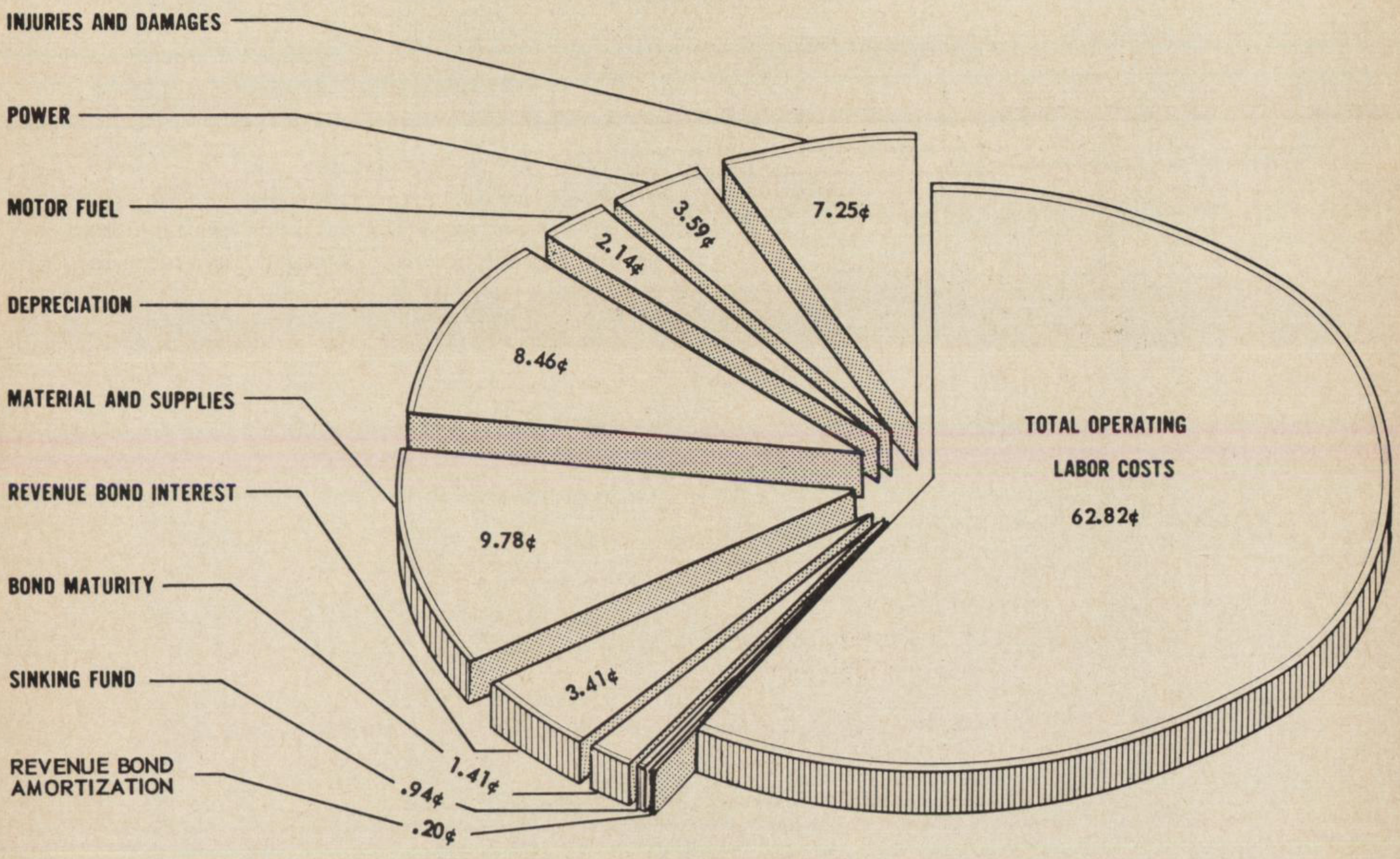
CONTENTS (Continued)

PAGE

Financial Statements and Statistics

Auditor's Opinion 18
Statement of Application of Revenue for the years ended December 31, 1959 and 1958 19
Balance Sheet — December 31, 1959 and 1958 20
Statement of Accumulated Net Earnings for the year ended December 31, 1959 22
Notes to Financial Statements 24
Statement of Funds Under Control of Equipment Trustee for the year ended December 31, 1959 25
Statement of Funds for the year ended December 31, 1959 26
Statement of Revenue Bonds — December 31, 1959 28
Statement of Equipment Trust Certificates — December 31, 1959 . . 30
Statement of Transportation Property and Organization Expense — December 31, 1958 and 1959 32
Revenue Equipment Owned 33
Mileage Owned, Leased and Operated 34
Operating Statistics 35
Route Changes 36

DISTRIBUTION OF CTA'S 1959 REVENUE DOLLAR



NOTE:

Total Operating Labor Costs exclude $1,884,087 (1.45¢ of CTA's Dollar) Charged to Operating Materials and Supplies, Injuries and Damage Reserve and Miscellaneous Services and Supplies.

Operating Results

The Authority's operating results for the year 1959 reflected the improvement in the local economy and the continued benefits derived from operating efficiencies, which lessened the impact of increased wage and working condition costs and other increases in operating and maintenance costs.

Gross revenues were sufficient to cover all direct operating and maintenance costs, to meet the fixed requirements of debt service and depreciation deposits, to make up the deficiency of $600,631 existing at the end of 1958 in funds available for deposit in the depreciation reserve fund, and further, to make $264,407 available for the advance retirement of revenue bonds.

Revenues for the month of January 1959 were not sufficient to make the total deposits required in the debt service funds because of excessively high snow and ice removal costs. In order to comply with the requirements of the Trust Agreement securing the Authority's revenue bonds it was necessary to transfer an amount sufficient to meet this requirement ($309,578) from the Operating Expense Reserve Fund. Were it not for this transfer, revenues for the year 1959 would have covered all costs and charges except the requirement for depreciation, where a deficiency of $45,171 would have occurred. However, the charges met included a $600,631 deficiency in depreciation carried over from 1958 so revenues for 1959 actually exceeded the annual costs and charges by $555,460.

A comparison of operating results for the years 1959 and 1958 is shown below:

	1959	1958
Revenues	$129,880,875	$126,118,729
Operation and Maintenance Expenses	111,144,989	108,604,206
	18,735,886	17,514,523
Debt Service Requirements	7,789,956	7,844,966
Transfer from Operating Expense Reserve to meet deficit in January 1959 Debt Service Requirements	(309,578)	—
	7,480,378	7,844,966
Balance Available for Depreciation	11,255,508	9,669,557
Depreciation Provision—Current Period	10,390,470	10,089,498
Balance Available for Other Charges or (Deficit in Depreciation Provision)	865,038	(419,941)
Carryover of prior years' deficiency	(600,631)	(180,690)
Balance Available for Other Charges	264,407	(600,631)
Other Charges—Revenue Bond Amortization Fund	$ 264,407	$ —

( ) Denotes Deduction

Sources of the Authority's total revenues for the years 1959 and 1958 were as follows:

	1959	1958	Increase (Decrease)
Passenger Revenues—			
Surface System	$100,026,948	$ 98,166,317	1.90%
Rapid Transit System	27,514,690	25,713,390	7.01
	127,541,638	123,879,707	2.96
Chartered Service	363,291	295,572	22.91
	127,904,929	124,175,279	3.00
Other—			
Station and Car Privileges . .	674,709	679,470	(.70)
Rent of Tracks and Facilities . .	345,203	314,715	9.69
Rent of Buildings and Other Property	405,292	374,929	8.10
Miscellaneous	550,742	574,336	(4.11)
	1,975,946	1,943,450	1.67
Total Revenues	$129,880,875	$126,118,729	2.98%

Passenger revenues increased $3,661,931 (2.96%) primarily due to an upswing in riding and to a lesser degree (approximately $438,000) on account of the fare adjustments which became effective September 7 and December 1, 1959. Improvements of 2% in metropolitan employment, 1½% in the State Street stores sales index and of 5½% in the sales index for other Chicago stores all contributed to the general increase in passenger riding.

Adjustments in rates of fares were made, effective September 7 and December 1, 1959, the latter to coincide with increases in wage rates and costs of working conditions contained in wage agreements renegotiated effective on that date. On September 7, 1959, the local fare was abandoned in the North and West outer zones, local riders in these areas being required to pay the through rate. The December 1, 1959 fare adjustments included the discontinuance of 22½¢ adult fare tokens (10 for $2.25), an increase in child and student cash fares from 13¢ to 15¢ and token fares from 11¼¢ (4 for 45¢) to 12½¢ (4 for 50¢), an increase from 13¢ to 15¢ in the cash fare for shuttle service buses or for a ride into an additional Rapid Transit zone, and the discontinuance of the 11¼¢ (4 for 45¢) token rate for these latter two services.

Riding data for the years 1959 and 1958 are shown below:

	Number of Riders		1959 Increase	
	1959	1958	Number	%
Surface System	432,684,329	426,226,629	6,457,700	1.52
Rapid Transit System . .	113,330,994	107,067,414	6,263,580	5.85
Total	546,015,323	533,294,043	12,721,280	2.39

Charter revenues for 1959 increased $67,719, and other revenues increased $32,496, despite a 1959 decline in the latter of approximately $95,500 in proceeds from sale of student identification cards.

Operation and maintenance expenses continued to rise in most categories, but operating economies partially offset the cost of wage increases and other expenses. The principal subdivisions of these expenses are compared below for the years 1959 and 1958:

	1959	1958	Increase (Decrease)
Wages and Salaries	$ 73,366,804	$ 71,639,904	$1,726,900
Pension Contributions	5,768,004	5,291,017	476,987
Federal Insurance Contributions . .	1,650,718	1,351,465	299,253
Employes' Insurance	798,752	725,202	73,550
Total Labor Costs	81,584,278	79,007,588	2,576,690
Electric Power Purchased	4,658,536	4,487,284	171,252
Motor Fuel Consumed	2,781,155	2,833,318	(52,163)
Operating Materials and Supplies .	5,837,684	5,968,674	(130,990)
Provision for Injuries and Damages .	9,416,363	9,143,608	272,755
Miscellaneous Services, Supplies, etc.	6,866,973	7,163,734	(296,761)
Total Operation and Maintenance Expenses . .	$111,144,989	$108,604,206	$2,540,783

Wages and salaries increased from the application of increased hourly wage rates and cost-of-living allowances, as provided in contracts negotiated in 1957 and 1959. These changes, applied to the basic one-man operator hourly wages rates, are shown below:

	Basic One-Man Hourly Rate	Cost-of-Living Allowance	Total
December 31, 1958	$2.420	$0.105	$2.525
1959—			
March 1	—	—.005	—.005
June 1	—	+.005	+.005
Sept. 1	—	+.020	+.020
December 1	+.180	—.125	+.055
December 31, 1959	$2.600	$ –0–	$2.600

New three-year wage contracts negotiated, effective December 1, 1959, provided that the then current cost-of-living allowance (12½¢) be incorporated into the basic hourly wage rate. Agreements with the two unions representing a large majority of the employes of the Authority provided for additional hourly increases of 5½¢ on December 1, 1959 and 5¢ each on December 1, 1960 and 1961, and a cost-of-living allowance to start on or after March 1, 1960 and adjusted quarterly thereafter, while agreements with the unions representing the remaining employes provided for increases of 8¢ on December 1, 1959 and 5¢ each on December 1, 1960 and 1961 and a cost-of-living allowance to become effective March 1, 1961 and to be adjusted quarterly thereafter. Other changes included in all agreements provided for an increase in sick and accident insurance payments from $40 to $50 per week, an increase in hospital insurance from $4.50 to $6.00 per day and in doctor's treatments from $2.50 to $3.50 each. In addition, a two-day waiting period was established for 7-day sick pay except where the absence extends to two weeks or more, and life insurance was provided for employes retiring after June 1, 1957 of $1,000 for the first year of retirement and $500 for the balance of the period covered by the current agreement.

The wage rate changes described above, together with the cumulative effect of changes in wage rates made during 1958 would have increased 1959 wage costs approximately $3,128,000 had operating conditions remained static. However, actual wage costs increased only $1,726,900. The reduction of approximately $1,400,000 represents the continuing result of reductions in personnel requirements achieved by converting two-man operated streetcar lines to motor bus operation, by substitution of new remote-controlled door L-subway cars for old cars, and continued economies in other operations. Total 1959 pay hours charged to operations (25,992,000) were 536,000 less than the 1958 total.

Pension contributions increased $476,987 because of an increase in the contribution rate to 7½% effective January 1, 1959, from 7% in 1958, and higher employe earnings in 1959. Employe contributions also increased from 3½% to 3¾%.

Federal insurance contributions (Old Age Benefits) increased $299,253 because the 1959 tax rate was increased to 2½% on the first $4,800 of wages from the 1958 rate of 2¼% on the first $4,200 of wages. This increase, amounting to $25.50 per employe, added approximately $345,000 to 1959 expenses which was partially offset by savings resulting from personnel reductions.

Employes' group insurance costs increased $73,550 primarily as a result of higher loss ratios which had a direct influence on net premium rates, and to a lesser degree, by reason of an increasing number of pensioners retired after June 1, 1957 who are now carried on the life insurance rolls.

Electric power comparative costs for the years 1959 and 1958 have been affected because of conversion charges and fixed costs progressively transferred to rapid transit car and trolley coach power accounts as streetcar operations were abandoned; unusual and/or non-recurring transformer repairs incurred in 1959; and because "Edison joint substations" were increased from 9 to 12 as three suburban substations were added to this category and costs increased in about that ratio. Despite a 1959 reduction of 659,487 in miles operated by electric powered vehicles, cost of power purchased increased $43,670 due to higher rates charged under the new Commonwealth Edison Company contract that became effective August 1, 1958, and the cost of converting power from AC to DC increased $127,582 for the reasons mentioned above.

Motor fuel costs for 1959 were $52,163 less than in 1958. A 1.8% reduction in miles operated saved $138,400 but this saving was partially offset by increases in unit cost of fuel purchased, and a slight decline in miles operated per gallon of fuel consumed.

Operating materials and supplies declined $130,990 as a result of mileage reductions and other operating economies.

Extremely severe snow and ice conditions during the first quarter of the year increased the cost of snow and ice removal on those transit routes which are still being cleared by the Authority to $1,219,137 in 1959 from $738,603 in 1958. The City of Chicago has cooperated in reducing this expense by removing the snow and ice on some of the transit route streets, and during the past winter the cost to the City of Chicago for doing this was approximately $1,200,000.

The provision for injury and damage settlements, accrued at the rate of 7¼% of total revenues in the years 1959 and 1958, increased $272,755 in direct ratio with the 1959 increase of $3,762,146 in total revenues.

Claim and suit disbursements and the overheads applicable thereto amounted to $8,831,338 in 1959, compared with $9,351,204 in 1958:

	1959	1958	1959 Increase (Decrease)
Claim Settlements—			
Number	17,400	18,059	(659)
Cost	$3,305,302	$3,246,655	$ 58,647
Overheads	949,962	948,672	1,290
Total Cost of Claims	$4,255,264	$4,195,327	$ 59,937
Suit Settlements—			
Number	2,050	2,308	(258)
Cost	$3,769,380	$4,326,994	($557,614)
Overheads	806,694	828,883	(22,189)
Total Cost of Suits	$4,576,074	$5,155,877	($579,803)
Total Cost	$8,831,338	$9,351,204	($519,866)

Average cost per claim settled, exclusive of overheads, rose to $190 in 1959, up from $180 in 1958, while average suit costs, exclusive of overheads, declined to $1,839 in 1959 from $1,875 in 1958. Suit and claim costs for 1958 do not include $465,643 recovered under an excess insurance policy covering Rapid Transit System operations. Incidents involving the Authority's operations giving rise to claims and suits numbered 24,824 in 1959, a decrease of 2,126 (7.9%) from 1958.

Miscellaneous services and supplies costs for 1959 were $296,761 less than in 1958. Numerous fluctuating categories of expenses are included under this caption. One of the principal items accounting for this reduction in 1959 costs was a decrease of $278,462 in rentals paid to the Mack Motor Truck Corporation for use of 100 propane-fueled motor buses, in accordance with the provisions of the lease.

Debt service requirements amounted to $7,789,956 for 1959, down $55,010 from 1958. Deposits to Series of 1947 sinking fund increased $115,440 to a total of $1,321,320 available for the retirement of Series of 1947 Revenue Bonds in advance of maturity. Deposits to the Series of 1953 revenue bond reserve fund reached the amount required by the Trust Agreement in 1958, resulting in a comparative reduction of $43,398 in 1959. Interest payments of $4,468,636 in 1959 declined $127,052 from the 1958 total as a result of the retirement of bonds through operations of the serial bond maturity fund ($2,000,000 in 1959 and 1958) as well as early retirement of some revenue bonds of each series through operation of the sinking funds.

Retirement of revenue bonds during the year 1959 is summarized below:

	Revenue Bonds Retired During 1959 Through Operation of —			
Revenue Bond Series	Serial Bond Maturity Fund	Sinking Fund	Total	Total Retired to 12-31-59
1947	$2,000,000	$1,582,000	$3,582,000	$21,283,000
1952	—	54,000	54,000	631,000
1953	—	16,000	16,000	109,000
	$2,000,000	$1,652,000	$3,652,000	$22,023,000

Serial maturity retirements of $2,000,000 Series of 1947 bonds were at par, Sinking fund retirements of Series of 1947 bonds cost $1,321,568.20; those of Series of 1952 bonds cost $49,703.00; and those of Series of 1953 bonds cost $14,807.60, for a total cost of $1,386,078.80. This represents principal savings of $265,921.20 arising from the early retirement of revenue bonds during 1959. Total principal savings to date by early retirement of revenue bonds amount to $913,146.

The annual interest reduction on all bonds retired during 1959 amounts to $129,975. A smaller reduction was realized in 1959, however, since the bond retirements occurred at different periods throughout the year. In years subsequent to 1959 the total interest savings on bonds retired in advance of maturity up to and including December 31, 1959 will amount to $5,955,721.

At the close of 1959 there was available $264,407 for deposit in the Revenue Bond Amortization Funds for early retirement of revenue bonds, which was accomplished in February 1960, when $308,000 principal amount of revenue bonds were retired.

Provision for depreciation in years 1959 and 1958 was at the rate of 8% of total revenues. The 1959 increase of $300,972 is in direct ratio to the increase in 1959 revenues.

Financial Position

Financial statements setting forth the financial position of the Authority at December 31, 1959 and also showing various phases of its operations for the year ended that date are presented at the end of this report, together with the opinion of Arthur Andersen & Co., independent public accountants.

New Revenue Vehicles

During 1959 the Authority received and placed into service 96 all-metal rapid transit cars of 100 on order for delivery in 1959.

Fifty of the above cars are standard two-car units, semi-permanently coupled, and forty-six are double end car units designed for operation either as single cars or in trains composed in part of two-car units.

The last four cars on order are high-speed, lightweight experimental rapid transit cars with specially designed motors, controls, trucks, gear drives, axles, bearing installations and auxiliary braking. They are designed to operate at higher speeds than presently available to the mass transit industry. One hundred horsepower motors and controls will provide an acceleration rate of three miles per hour per second, reaching a speed of 30 miles per hour in 10 seconds. At this point, acceleration will continue but at slightly lower rates up to a maximum rate of 75 miles per hour. Originally scheduled for delivery in the Fall of 1959, the first unit was not received until February 1960.

A total of 130 new motor buses were delivered and placed in service during the year 1959. All are Flxible-Twin odorless propane-powered buses with the latest type of air springing for more comfortable riding and power steering for easier handling and increased safety. Thirty-one of these vehicles are 50-passenger buses and the balance of 99 are 44-passenger buses.

Revenue vehicles owned and operated at December 31, 1959, consisted of the following:

	Owned (1)	Active	% of Owned
Surface System—			
Trolley Buses	573	561 (2)	97.91%
Motor Buses—			
Gasoline	566	497 (2)	87.81
Diesel	687	680 (2)	98.98
Propane	1,548 (1)	1,548	100.00
Total Buses	3,374	3,286 (2)	97.39
Rapid Transit System—			
Motor Cars	1,156	1,156	100.00
Trailers	60	60	100.00
Total R/T Cars	1,216	1,216	100.00
Total Revenue Vehicles	4,590	4,502	98.08%

(1) Includes 100 propane buses leased from Mack Trucks, Inc.

(2) Difference authorized to be scrapped, 88 or 1.92%.

Construction Projects

Wilson Avenue Station Area

A new southbound track (No. 1) and platform facilities, the first stage of this program to improve train operations through Wilson Avenue station area, went into use November 30, 1959. At present, southbound Evanston Express and North Shore trains are operating over this new westernmost track and southbound L-Subway trains are operating over the pre-existing track (No. 2). Northbound, all trains are still operating over the regular northbound track (No. 3).

A contract has been awarded to complete the second phase of this $1,800,000 program, which calls for the erection of new steel structure and the reconstruction of a part of the present steel structure across Broadway in the vicinity of Leland Avenue and the construction of a new steel structure in the train yards south of Wilson Avenue.

When the steel construction is completed and tracks are laid, there will be four tracks, instead of two tracks, through the station area and Evanston Express and North Shore trains will operate only on tracks Nos. 1 and 4, and all L-Subway trains will operate only on tracks Nos. 2 and 3. This will eliminate the former bottleneck caused by the merging of four-track right-of-way on each side of this station into a two-track right-of-way for a distance of about 1,500 feet through the station area, and will greatly improve the speed and safety of operation.

Lake Street Rapid Transit Elevation and Extension

This project was scheduled to start in the Spring of 1959 but all construction was held up pending agreement with the Federal Bureau of Public Roads regarding their proportionate share of cost of constructing a viaduct over Harlem Avenue. Initial construction work finally got under way January 13, 1960.

This $4,000,000 co-operative project provides for the relocation of 2½ miles of the Authority's rapid transit tracks from ground level to an adjacent elevated embankment owned by Chicago and North Western Railroad. It entails laying one new track and re-aligning two others, relocation of water mains, construction of new stations, installation of electrical, signal and communication facilities, and other fixed transportation equipment and facilities.

Cost of the project is to be shared as follows: the Authority, $600,000; City of Chicago, $600,000; Village of Oak Park, $800,000; Cook County, $1,000,000; and the State of Illinois (including Federal Aid), $1,000,000. The County's share will be paid by the State from the County's share of state motor fuel taxes.

Congress Street Subway

Construction of Congress Street Expressway has progressed to the point where the Authority, on March 20, 1960, was permitted to commence operation over its permanent right-of-way in the Congress Expressway west of Lotus Avenue (5432 West) to the Desplaines terminal in Forest Park. Starting June 22, 1958, the Authority's trains ran in the permanent right-of-way only from the Loop to Lotus Avenue, a distance of approximately 6¾ miles, and the balance of 2¾ miles was operated over temporary tracks at ground level. In this newly opened section west of Lotus Avenue, the Authority's permanent tracks are located on the south side of the depressed right-of-way of the Congress Expressway instead of being located in the median strip of the expressway as they are between Halsted Street and Central Avenue.

Temporary rapid transit station and platform facilities are being used on this westernmost section pending completion of permanent station and platform facilities. Running time between the Loop and Desplaines Avenue terminal has been further improved to approximately 22 minutes.

Consolidation of Shops

Consolidation of the Authority's West Shops repair and overhaul facilities with those of the South Shops at 77th Street and Vincennes Avenue is progressing according to plan.

This $4,707,000 consolidation project is a two-stage program. The first stage, which is well on the way to completion, provides for consolidation of the machine shops, unit repair shops, related storerooms, and shop offices. These departments were consolidated at the new location by June 1, 1959.

The second stage calls for the construction and equipping of a new major bus overhaul shop to house the remaining shop departments. The consolidated shops are designed to permit a smooth, coordinated flow of work and produce the highest degree of shop efficiency. Target date for completion and occupancy is July 1, 1961.

Economies and efficiency anticipated in early planning stages were fully realized during the last half of 1959, and the full cost of the project is expected to be recovered within 3.6 years following completion.

Desplaines Avenue Terminal

A $1,300,000 project is under way to construct terminal shops and yards for servicing and storing trains; a building to house transportation department offices and locker rooms and other facilities for trainmen; and off-street loading platforms to facilitate the interchange of passengers between Rapid Transit trains and Surface System motor buses.

The train yard facilities are now operative, although not fully completed, and contracts are expected to be awarded and building construction started by mid-1960.

Modernization and Replacement Program

Chicago Transit Authority's fleets of modern revenue vehicles were increased in 1959 by delivery of 96 all-metal light-weight, high-performance rapid transit cars and 130 odorless propane fueled motor buses costing a total of $8,590,000.

By December 31, 1959, the Authority had taken delivery of 4,381 new revenue vehicles and 5 others were scheduled for delivery early in 1960, a total of 4,386 new revenue vehicles. This completed the program formulated in 1945, when the Authority was established, which provided for the purchase of 4,256 new buses and cars to modernize rolling stock of the predecessor companies, and also provided 130 additional new vehicles to replace equipment that became over-age during the interim.

Total cost of these 4,386 new revenue vehicles and auxiliary equipment will amount to approximately $111,522,000, of which $69,004,000 is for 3,612 Surface System streetcars and buses and $42,518,000 for 774 rapid transit cars. The cash cost will be about $103,542,000 after considering $7,980,000 salvage value realized on PCC streetcar components used in construction of 570 new L-Subway cars.

Total expenditures and commitments under the modernization and replacement program to date aggregate approximately $146,721,000; $111,522,000 for the vehicles referred to above and $35,199,000 for construction of three new operating garages and modernization of other facilities such as shops, garages, machinery, and fixed transportation equipment.

In order to maintain a modern fleet of 2,800 motor buses and 570 trolley buses having efficient life expectancies of 12 years and 18 years respectively, it is necessary to schedule a replacement program providing for the acquisition, and retirement, of 265 buses per year.

The 1960 capital budget provides $7,140,000 for purchase of 300 new motor buses.

Riding Trends

A gratifying recovery in employment in the Chicago area during 1959 reversed the downward trend in riding which had prevailed throughout the year 1958 and resulted in a substantial increase in revenue passengers.

Other important factors stimulating riding during 1959 were: (a) weather conditions in the first quarter of 1959 created hazardous driving conditions and many automobiles were immobilized for several weeks by heavy snows, with the result that the Authority's facilities carried as many as 200,000 additional revenue passengers on some week days; (b) the Trade Fair held at Navy Pier July 3 through July 18; (c) the visit of Queen Elizabeth of England on July 6th coinciding with the opening of the St. Lawrence Seaway; (d) the Pan American Games held August 27 through

September 7 at various locations throughout the city; and (e) the White Sox baseball team was a contender for and won the American League Championship, and the three World Series games in early October influenced late summer and early fall riding. These beneficial events were offset to some extent by loss of riding as a result of the steel strike during the period July 15 through November 8, 1959 and to a lesser degree by fare adjustments on September 7 and December 1, 1959.

The influence of the foregoing factors is shown in the following statistical data:

	Increase or (Decrease), 1959 over 1958	
	Employment	Revenue Passengers
1st Quarter	(1.06%)	1.80%
2nd Quarter	2.27	3.46
3rd Quarter	2.17	2.37
4th Quarter	1.96	1.92
Year	1.33%	2.39%

This 2.39% increase in revenue passengers over the year 1958 is in sharp contrast to the experience of all United States cities of over 1,000,000 population, which showed a decline of 0.15% from the 1958 level of riding.

The competitive strength of the traffic-free Rapid Transit System and the riding public's preference for high-speed service on grade-separated right-of-way is indicated by the fact that the 1959 increase in revenue passengers was 5.85% on the Rapid Transit System and 1.52% on the Surface System, and each year since 1955 has shown a progressively greater proportion of total revenue passengers patronizing the Rapid Transit System:

Year	Percent of Total Revenue Passengers Carried by Rapid Transit System
1955	18.11%
1956	18.62
1957	19.29
1958	20.08
1959	20.76

Vehicle Miles

The Authority continued to maintain attractive, convenient and frequent service throughout the City of Chicago and through, within, bordering upon, or within reasonable walking distance of thirty-one adjacent suburban cities, towns and villages and nine unincorporated areas, as follows:

Availability of Service

	Passes Thru or well Within	Enters, Borders or Touches	Within ⅜ mile or less	Surface Routes or R/T Lines (# Indicates Bus Route No.)
Wilmette		X		N/S L-Subway
Evanston	X			do also 7 bus lines border or are within ⅜ mile.
Skokie	X			#97
Morton Grove			X	#97
Niles		X		#85A
Lincolnwood		X		#14, 96 and 155
Park Ridge		X		#88, #92, #90
Unincorporated*			X*	#88 and 85A
Harwood Heights		X		#85A and 90
Unincorporated*		X*		#78 and 91
Norridge		X		#90 Also # 86 within ¼ mile.
River Grove		X		#77
Elmwood Park		X		#76, 77 and 90
River Forest		X		#86 and Lake St. "L"
Oak Park	X			#91 Lake St. "L" & Congress St. Subway
Maywood	X			#17 conn. with Congress St. Subway
Bellwood	X			#17 conn. with Congress St. Subway
Forest Park	X			Congress St. Subway, Lake St. "L" & #17
Westchester	X			#17 conn. with Congress St. Subway
Unincorporated*			X*	#21B
Berwyn	X			#21B conn. with Douglas Pk. L-Subway
Cicero	X			Douglas Pk. L-Sub. #12, 18, 54B, 58, 54 & 21B
Stickney			X	#54B
Forest View			X	#62 - 62X
Unincorporated*			X*	#62 - 62X
Summit	X			#63A, 62, 62X
Bedford Park		X		#63A, 110, 54B
Unincorporated*			X*	#79A, 87
Hometown		X		#87
Evergreen Park	X			#52A, 95, 87, 103, 49A
Oak Lawn			X	#103, 111A
Unincorporated*			X*	#111A, 52A
Unincorporated*			X*	#52A
Merrionette Park		X		#52A
Unincorporated*	X*			#111A, 52A, 49A
Blue Island		X		#49A, 119
Unincorporated*		X*		#119
Calumet Park		X		#119 - #42B
Riverdale		X		#34, 42B
Dolton			X	#34
Total 40	12	17	11	
*Unincorporated 9	1	2	6	
Cities, Towns & Villages 31	11	15	5	

Frequency and scope of services were altered from time to time to adjust to seasonal and other changes in the pattern of riding.

Revenue miles on the Rapid Transit System (44,325,456) were increased 3.10% (1,333,627) over 1958 primarily to accommodate the 5.85% increase in riding in 1959 and to a lesser degree on account of added mileage required to operate the through routed West-Northwest line via the Milwaukee-Dearborn-Congress Street subway subsequent to the opening of the Congress Street Expressway median strip operation on June 22, 1958.

Revenue miles on the Surface System (109,920,263) were reduced 3.25% (3,696,294) from 1958 even though revenue passengers increased 1.52%. This reduction in revenue miles was accomplished by abandoning certain non-productive owl services and route extensions, eliminating duplicated services, and lengthening headways during off-peak hours on lines where load factors permitted. In other instances certain lines were extended, trips were added, and headways shortened to accommodate increased patronage. There was no appreciable change in the number of vehicles scheduled during weekday morning and evening rush hour periods although the greatest percentage of revenue mile reductions was made in weekday operations, as shown in the summary below:

Surface System
Average Bus and Car Miles Operated

	1959 Daily Average	Decrease From 1958
Weekdays	337,885	3.89%
Saturdays	243,206	2.02%
Sundays	183,764	1.66%

Speed of Operation and Traffic Conditions

Average scheduled speed of Surface System vehicles during 1959 was 11.65 M.P.H. as compared with 11.64 M.P.H. in 1958 and 11.65 M.P.H. in 1957. Despite a continuing program of replacing over-age streetcars and motor buses with new vehicles of the most modern design and greater speed potential, it appears that approximately 11.65 M.P.H. is the maximum speed attainable. Holding that average speed in the face of ever increasing competition from private automobiles, taxicabs and trucks for space on Chicago's congested streets and boulevards is in itself, an accomplishment.

The 1959 Cordon Count of vehicles and passengers entering and leaving the central business district of Chicago during a 12 hour period on a representative weekday shows that there were 22,723 (7.04%) more automobiles and taxicabs carrying 33,402 (6.90%) more passengers than in 1958, while 609 (4.60%) less Authority Surface vehicles carried 9,162 (3.37%) fewer passengers than in 1958. On this same check day in 1959 the total number of heavy trucks and other service vehicles entering and leaving the central business district was 41,507, an increase of 2,541 (6.52%) over 1958.

This same pattern of ever increasing competition for street space prevails in varying degrees along all Surface transit streets throughout the city of Chicago and adjacent areas served.

The Rapid Transit System, however, increased its 1959 speed of operation to 22.12 M.P.H. as compared with 21.98 M.P.H. in 1958 and 20.80 M.P.H. in 1957. Here again is demonstrated the superiority of Rapid Transit operation in a grade-separated traffic-free right-of-way, and the possibility of benefiting from the greater speed potential of new modern rapid transit cars.

Public Safety Best Ever

For the fifth consecutive year, the Authority's employes in 1959 established a new public safety record. The Authority's operations resulted in fewer traffic and passenger accidents during 1959 than in any previous year of its operation. Of greater significance is the fact that traffic and passenger accident frequency rates (based on number of miles operated) on both the Rapid Transit System and the Surface System were the lowest in the Authority's history.

The following table compares 1959 public accident experience with 1958, and also with the first ten years of operation. All traffic and passenger accidents involving the Authority are included regardless of liability or seriousness:

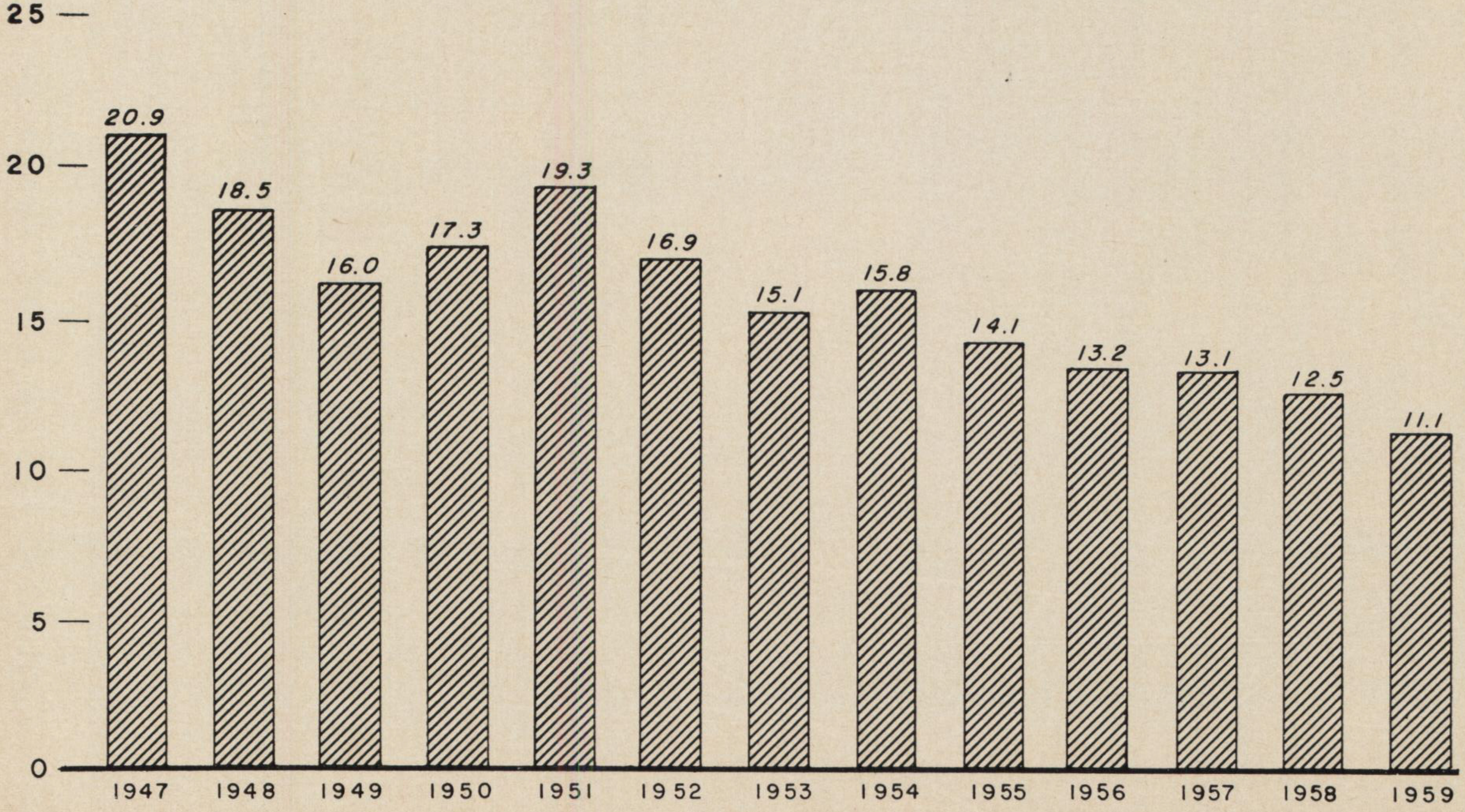
Public Accident Experience

				1959 Decrease	
	Year 1959	Year 1958	10-Year Average 1947-1956	Under 1958	Under 10-Year Average
Traffic Accidents	10,553	12,025	17,439	12.2%	39.5%
Passenger Accidents	6,586	7,527	10,605	12.5%	37.9%
Total Accidents	17,139	19,552	28,044	12.3%	38.9%
Revenue Vehicle Miles on Routes (in thousands)	153,960	156,373	167,095	1.5%	7.9%
Frequency Rate-Accidents per 100,000 miles—					
Traffic Accidents	6.8	7.7	10.4	11.7%	34.6%
Passenger Accidents	4.3	4.8	6.4	10.4	32.8
Total Accidents	11.1	12.5	16.8	11.2%	33.9%

Continued emphasis on public safety through intensive training programs and the application of safety principles by operating and supervisory personnel have been largely responsible for this year's outstanding safety record and the nearly unbroken progressive improvement in public accident experience since the Authority took over operation of the predecessor companies on October 1, 1947. This record is illustrated by the following graph:

CHICAGO TRANSIT AUTHORITY

TRAFFIC AND PASSENGER ACCIDENTS PER 100,000 MILES OPERATED



Financial Assistance

Early in 1957 and again in December 1958 the Authority developed and presented legislative programs for financing improvement and extension of Rapid Transit facilities in the Chicago Metropolitan area. These plans called for public financial assistance of $315,000,000 spread over a 20-year period. During both the 1957 and 1959 sessions of the Illinois General Assembly this program was discussed at great length and received support from many members of the legislature but no financial aid was provided or authorized.

In 1959 the Authority also sought, through legislative action and later by direct contact with the Chicago Board of Education, to be reimbursed for the $4,000,000 plus per year loss incurred by being required to subsidize the transportation of students, a discriminatory burden on local transit that properly should be paid by the community as a whole. This plea also was denied.

The Authority now proposes a comprehensive four-point, $400,000,000 package program to expand business activity in Chicago's central business district and to promote the economic vigor of the entire Metropolitan area. This package program combines and ties together plans previously proposed by the Authority, and adds an entirely new proposal to attract increased patronage to commuter railroads serving Chicago.

Based principally upon co-ordination of the area's three major forms of transportation, Chicago Transit Authority (grade-separated elevated-subway, and surface buses), commuter railroads and private automobiles, the program calls for a combination of public and private financing to accomplish its objectives.

Briefly, this four-point program recommends:

1. Sub-street shopping arcades joining downtown stores and office buildings with direct connections to sub-street transit facilities.
2. Establishment of multi-story Park-and-Ride garages at outlying Rapid Transit stations joined by ramps to adjacent Expressways or to city streets.
3. Extensions and improvements of Authority's Rapid Transit Service through our 20-year, $315,000,000 program.
4. Construction of ten Park-and-Ride garages or lots strategically located at or adjacent to heavily used suburban stations of commuter railroads serving Chicago.

The prodigious growth of suburban communities in recent years and forecasts of a population of 8,000,000 in the Chicago Metropolitan area by 1970 compel prompt total transportation planning and action if the Metropolitan area is to realize fully its tremendous economic potentials.

Outlook for 1960

Financial

On December 10, 1959, Chicago Transit Board adopted a $133,394,000 budget for the year 1960 which showed that after payment of all operating expenses, debt service on revenue bonds outstanding, and provision for depreciation there would be a $240,000 balance available for deposit to the Revenue Bond Amortization Funds.

Revenues for 1960 were estimated on the assumption that passenger traffic would be slightly less (7/10th of 1%) than the 1959 level on account of September 7 and December 1, 1959 fare adjustments, but that passenger revenues would be approximately 3% greater because of the fare adjustments. Other 1960 revenues were estimated to be about $160,000 less than was realized in 1959.

The 1960 budgeted expenses were based on contractual wage rates in effect at the 1959 year-end and a 5c per hour wage increase to become effective December 1, 1960. Labor contracts provide for cost-of-living wage increments commencing March 1, 1960, and adjusted quarterly thereafter, under a formula based on the Consumer Price Index for Chicago. The budget makes no provision for the possibility of added cost-of-living allowances in 1960 and in this respect it is significant to note that each 1c per hour increase in wages adds approximately $27,000 per month to operating expenses.

During the first quarter of 1960 revenues were slightly better than anticipated and expenses have been held within the budget figures. If employment and general economic conditions remain at the current level and inflationary forces are held reasonably within the pattern established during the six months subsequent to September 1, 1959, we should equal or better the results anticipated for 1960.

Capital Projects

Cash available for capital outlays in 1960 is estimated at $20,169,000 if full depreciation provisions are earned. Of this amount, $10,053,000 is committed or planned for purchase of new revenue vehicles and most of the balance is committed for other capital projects urgently needed, some of which are already under way. The major items are as follows:

Purchase of new revenue vehicles	$ 7,140,000
Interest and principal on Equipment Trust Certificates (paid from depreciation funds)	2,913,000
Construction of consolidated shop buildings	1,485,000
Structural changes at Wilson Avenue station	665,000
Elevation and extension of the Lake Street branch of the Rapid Transit System	600,000
Construction of shop and transportation facilities at Desplaines Avenue terminal of the Congress Street subway (CTA share of cost)	700,000
Renewals and/or improvements to tracks, track structures, shops, garages, electric power distribution system, signal and communication systems, street paving, shop tools, machinery, etc.	
Rapid Transit System	4,373,000
Surface System	1,510,000
Common to both systems	783,000
Total	$20,169,000

Personnel

The total number of employes in service at the end of 1959 was 13,590, a decrease of 355 from the 13,945 at December 31, 1958, and a decrease of 9,778 from the 23,368 employes in service at dates of acquisition of properties from predecessor companies.

During the year, 427 employes retired on pensions and 335 retired employes died. At December 31, 1959 there were 5,490 retired employes receiving pension payments.

Chicago Transit Board

The term of Mr. Virgil E. Gunlock, as a member and Chairman of Chicago Transit Board, expired September 1, 1959. Mr. Gunlock, who had been a member and Chairman of the Board since July, 1954, was reappointed a Board member for a seven year term expiring September 1, 1966. The appointment was made by Honorable Richard J. Daley, Mayor of Chicago, and approved by Honorable William G. Stratton, Governor of Illinois. Mr. Gunlock was re-elected Chairman of the Chicago Transit Board for a term of three years beginning September 1, 1959, and filed his oath of office with the Secretary of State on November 10, 1959.

During 1959 the Board held thirty-three meetings for the transaction of official business and, in addition, held many informal conferences and several public hearings.

Acknowledgments

We extend to all employes of the Authority our grateful thanks for their loyalty and high standard of performance which have made possible the results of 1959 operations, and to the hundreds of thousands of daily riders for their valued patronage.

We also express appreciation to the many public officials and others for their splendid cooperation and efforts in behalf of Chicago's transit system.

By Order of the Board,

V. E. Gunlock

Chairman

ARTHUR ANDERSEN & CO.

120 South La Salle Street
Chicago 3

Chicago Transit Board,
Chicago Transit Authority:

We have examined the balance sheet of CHICAGO TRANSIT AUTHORITY (an Illinois municipal corporation) as of December 31, 1959, and the related statements of accumulated net earnings, of application of revenue and of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and related statements of accumulated net earnings and of funds present fairly the financial position of Chicago Transit Authority as of December 31, 1959, and the results of its operations and fund transactions for the year then ended, and were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, the accompanying statement of application of revenue presents fairly the distribution of revenue for the year ended December 31, 1959, in accordance with the provisions of the trust agreement securing the revenue bonds.

Arthur Andersen & Co.

March 25, 1960

Statement of Application of Revenue

For the Years Ended December 31, 1959 and 1958

	1959	1958
Operating Revenue	$129,880,875	$126,118,729
Operating Expenses:		
Conducting transportation	$ 54,043,031	$ 53,072,395
Maintenance —		
Equipment	19,250,004	19,526,608
Way and structures	6,391,600	6,223,956
Electric power	5,639,430	5,392,816
Fuel for revenue equipment	2,781,155	2,833,318
Rentals under long-term leases	844,092	998,064
Provision for injuries and damages	9,416,363	9,143,608
Employees' pensions and insurance	6,566,756	6,016,220
Social security taxes	1,650,718	1,351,465
General and administrative expenses	4,561,840	4,045,756
	$111,144,989	$108,604,206
Revenue available for debt service	$ 18,735,886	$ 17,514,523
Debt Service Requirements on Revenue Bonds:		
Interest	$ 4,468,636	$ 4,595,688
Serial bond maturity fund	2,000,000	2,000,000
Sinking fund	1,321,320	1,205,880
Revenue bond reserves	—	43,398
	$ 7,789,956	$ 7,844,966
Balance	$ 10,945,930	$ 9,669,557
Transfer from Operating Expense Reserve for Debt Service Requirement in January 1959	309,578	—
	$ 11,255,508	$ 9,669,557
Depreciation Requirement:		
Prior period deficiency	$ 600,631	$ 180,690
Current period	10,390,470	10,089,498
	$ 10,991,101	$ 10,270,188
Revenue Available for Revenue Bond Amortization Fund	$ 264,407	$ (600,631)

( ) Denotes deficit in revenue available for depreciation.

The accompanying notes are an integral part of this statement.

Assets

	December 31 1959	December 31 1958
Transportation Property:		
Cost	$180,941,637	$175,457,617
Reserve for depreciation	55,693,552	48,711,620
	$125,248,085	$126,745,997
Special Funds, cash and U. S. Government securities:		
Under control of revenue bond trustee —		
Transit revenue	$ —	$ —
Series of 1947 serial bond maturity	1,000,000	1,000,000
Sinking funds	1,398	1,254
Revenue bond reserves	8,155,600	8,159,800
Depreciation reserve ($1,273,072 minimum balance required at December 31, 1959, by equipment trust agreements)	10,974,920	7,687,146
Revenue bond amortization	265,738	1,331
Operating expense reserve	948,259	1,257,837
Modernization	—	—
	$ 21,345,915	$ 18,107,368
Under control of equipment trustee, for purchase of equipment	—	4,101,877
Damage reserve	1,622,469	1,037,444
	$ 22,968,384	$ 23,246,689
Current Assets:		
Working cash, including $5,000,000 provided from revenue bond proceeds	$ 11,703,107	$ 13,215,356
Cash deposits with trustee for payment of interest on revenue bonds	2,202,334	2,267,311
Cash deposits for payment of interest on equipment trust certificates	82,798	144,457
Accounts receivable, less reserve	3,257,330	1,432,049
Materials and supplies, at average cost	5,239,921	5,687,040
Prepayments	1,092,813	1,397,392
	$ 23,578,303	$ 24,143,605
Leasehold Costs, being amortized; etc.	$ 143,392	$ 399,230
	$171,938,164	$174,535,521

Liabilities

	December 31	
	1959	1958
Long-Term Debt:		
Revenue bonds	$112,977,000	$116,629,000
Equipment trust certificates, after deducting funds of $2,395,000 and $2,796,800 respectively, held by trustee for payment of principal	9,900,000	12,203,200
	$122,877,000	$128,832,200
Accumulated Net Earnings, distributed in accordance with revenue bond trust agreement for:		
Serial bond maturity	$ 16,000,000	$ 14,000,000
Sinking funds	3,220,797	1,838,775
Revenue bond reserves	8,163,880	8,163,880
Revenue bond amortization	3,147,913	2,883,506
Operating expense reserve	948,259	1,257,837
Depreciation and modernization reserves	1,900,903	968,618
	$ 33,381,752	$ 29,112,616
Less—Financing costs not deductible from revenue under revenue bond trust agreement	6,515,806	5,937,450
	$ 26,865,946	$ 23,175,166
Current Liabilities:		
Accounts payable	$ 3,661,751	$ 5,809,784
Accrued wages and vacation pay	7,319,897	5,276,150
Accrued interest on revenue bonds	2,202,334	2,267,311
Accrued interest on equipment trust certificates	82,798	144,457
Unredeemed tokens	334,522	721,562
	$ 13,601,302	$ 14,219,264
Deferred Paving Liability	$ 1,212,566	$ 1,512,566
Damage Reserve	$ 7,381,350	$ 6,796,325
	$171,938,164	$174,535,521

The accompanying statements and notes are an integral part of this balance sheet.

Statement of Accumulated Net Earnings

For the Year Ended December 31, 1959

		Distribution
	Total	Revenue Bond Serial Maturity
Balance December 31, 1958	$23,175,166	$14,000,000
Items deductible from operating revenue in accordance with the trust agreement securing the revenue bonds, but not deductible from accumulated net earnings under generally accepted accounting principles —		
Revenue available for revenue bond amortization fund per accompanying statement of application of revenue......	$ 264,407	—
Allocation of net earnings for debt service requirement....	3,011,742	2,000,000
Depreciation deficiency applicable to prior years..........	600,631	—
Interest earned on certain funds controlled by revenue bond trustee (note)	392,356	—
Interest on equipment trust certificates, etc....................	(666,973)	—
Net income determined in accordance with generally accepted accounting principles	$ 3,602,163	
Discount on retirement of revenue bonds..................	88,617	—
Balance December 31, 1959	$26,865,946	$16,000,000

( ) Denotes deduction.

NOTE: Interest earnings may be disbursed only for the purposes for which the funds were created and are not of Net Earnings in Accordance with the Trust Agreement Securing the Revenue Bonds

Revenue Bond Sinking Funds	Revenue Bond Reserves	Revenue Bond Amortization	Operating Expense Reserve	Depreciation and Modernization Reserves	Financing Costs not Deductible from Revenue
$1,838,775	$8,163,880	$2,883,506	$1,257,837	$ 968,618	$ (5,937,450)
—	—	264,407	—	—	—
1,321,320	—	—	(309,578)	—	—
—	—	—	—	600,631	—
60,702	—	—	—	331,654	—
—	—	—	—	—	(666,973)
—	—	—	—	—	88,617
$3,220,797	$8,163,880	$3,147,913	$ 948,259	$1,900,903	$ (6,515,806)

included in transit revenue under the provisions of the trust agreement securing the revenue bonds.

Notes to Financial Statements

As of December 31, 1959

1. Revenue of each year after deducting operation and maintenance expenses is to be deposited in the following funds, in the order shown, to the extent that moneys are available therefor:

    a. Revenue bond interest fund, serial bond maturity fund, and sinking fund — deposits equal to debt service requirements as provided in the revenue bond trust agreement.

    b. Depreciation reserve fund — deposits equal to annual depreciation provision and deficiencies, if any, in prior years' deposits.

    c. Revenue bond amortization fund — deposits, cumulative within the year, equal to $300,000 quarterly for the series of 1947 and 1952 revenue bonds and $16,714 quarterly for the series of 1953 revenue bonds.

    d. Operating expense reserve fund — deposit to be $900,000 each year.

    e. Municipal compensation fund — deposit to be computed in accordance with the franchise ordinance.

    f. Modernization fund — deposit to be equal to the moneys remaining after making required deposits to the above funds.

2. Under its pension agreement which is renegotiated every three years, the Authority has agreed to contribute a fixed percentage of payroll to a contributory pension plan for present and retired employees. Under such agreement, the Authority is not legally obligated to fund the actuarial cost of future benefits to present and retired employees based on past-service costs. At December 31, 1959, such unfunded amount exceeded $100,000,000.

Statements of Funds Under Control of Equipment Trustee

For the Year Ended December 31, 1959

		Equipment Trust Certificate Funds		
	Total	For Payment of Interest	For Payment of Principal, Series 4, 5 and 6	For Purchase of Equipment, Series 9
Balance December 31, 1958	$7,043,134	$144,457	$2,796,800	$4,101,877
Add — Receipts:				
Interest collections on U. S. Government securities	$ 59,615	$ 4,758	$ 38,247	$ 16,610
Interest collections transferred to revenue bond trustee	(59,615)	(4,758)	(38,247)	(16,610)
Transfers from revenue bond trustee............	3,077,434	635,891	2,303,200	138,343
	$3,077,434	$635,891	$2,303,200	$ 138,343
Deduct — Disbursements	$7,642,770	$697,550	$2,705,000	$4,240,220
Balance December 31, 1959:				
Cash	$1,242,814	$ 56,406	$1,186,408	$ —
U. S. Government securities (at cost)..........	1,234,984	26,392	1,208,592	—
	$2,477,798	$ 82,798	$2,395,000	$ —
Balance December 31, 1959 —				
Classified in accompanying balance sheet as:				
Current assets	$ 82,798	$ 82,798	$ —	$ —
Reduction of long term debt..............	2,395,000	—	2,395,000	—
	$2,477,798	$ 82,798	$2,395,000	$ —

Statement of Funds

For the Year Ended December 31, 1959

		Funds		
			Revenue	
	Total	Transit Revenue	Interest	Serial Maturity
Balance December 31, 1958 —				
Before transfers	$ 41,317,344	$ 5,212,684	$2,267,311	$1,000,000
Add — Receipts:				
Collection of revenue	$129,745,803	$129,368,449	$ 39,005	$ 29,457
Other receipts	3,685,876	3,353,390	—	—
Transfers from transit revenue fund	—	(132,138,930)	4,468,636	2,000,000
Transfer from operating expense reserve	—	309,578	—	—
Other transfers (net)	—	317,484	(39,005)	(29,457)
	$133,431,679	$ 1,209,971	$4,468,636	$2,000,000
Deduct — Disbursements:				
Costs and expenses of operation, purchase of materials and supplies, reimbursable expenditures, etc.	$111,407,730	$ —	$ —	$ —
Disbursements for purposes for which funds were created	24,386,736	—	4,533,613	2,000,000
Transfers from revenue bond trustee to equipment trustee (see accompanying statement)	—	—	—	—
	$135,794,466	$ —	$4,533,613	$2,000,000
Balance December 31, 1959 —				
Before transfers described below:				
Cash	$ 14,114,417	$ 6,422,655	$2,202,334	$ 169,824
U. S. Government and municipal securities (at cost)	24,840,140	—	—	830,176
	$ 38,954,557	$ 6,422,655	$2,202,334	$1,000,000
Transfers made in 1960 —				
Collections deposited January 4, 1960	397,066	397,066	—	—
Transfers from transit revenue fund	—	(6,819,721)	—	—
Reimbursement of working cash for disbursement payable from special funds	—	—	—	—
	$ 39,351,623	$ —	$2,202,334	$1,000,000
Balance December 31, 1959 —				
After transfers, classified in accompanying balance sheet as:				
Special funds	$ 22,968,384	$ —	$ —	$1,000,000
Current assets	13,988,239	—	2,202,334	—
Reduction of long-term debt	2,395,000	—	—	—
	$ 39,351,623	$ —	$2,202,334	$1,000,000

( ) Denotes deduction.

Under Control of Revenue Bond Trustee							Funds Under Control of Equipment Trustee (see Accompanying Statement)	Other Funds	
Bond									
Sinking Funds	Reserves	Depreciation Reserve	Revenue Bond Amortization	Operating Expense Reserve	Modernization			Damage Reserve	Working Cash
$ 1,254	$8,159,800	$11,307,171	$ 1,331	$1,257,837	$1,192,652		$ 7,043,134	$ 368,476	$ 3,505,694
$ —	$ 221,642	$ —	$ —	$ 27,380	—		$ 59,615	$ —	$ 255
60,702	—	321,972	—	—	9,682		(59,615)	—	(255)
1,321,320	—	10,358,112	—	—	—		—	—	113,990,862
—	—	—	—	(309,578)	—		—	—	—
4,200	(225,842)	—	—	(27,380)	191,774		—	9,368,920	(9,560,694)
$1,386,222	$ (4,200)	$10,680,084	$ —	$ (309,578)	$ 201,456		$ —	$9,368,920	$104,430,168
$ —	$ —	$ —	$ —	$ —	$ —		$ —	$ —	$111,407,730
1,386,078	—	4,256,944	—	—	1,236,502		7,642,770	8,824,273	(5,493,444)
—	—	3,077,434	—	—	—		(3,077,434)	—	—
$1,386,078	$ —	$ 7,334,378	$ —	$ —	$1,236,502		$ 4,565,336	$8,824,273	$105,914,286
$ 1,398	$ 16,786	$ 999,118	$ 1,331	$ 3,023	$ 157,606		$ 1,242,814	$ 892,123	$ 2,005,405
—	8,138,814	13,653,759	—	945,236	—		1,234,984	21,000	16,171
$ 1,398	$8,155,600	$14,652,877	$ 1,331	$ 948,259	$ 157,606		$ 2,477,798	$ 913,123	$ 2,021,576
—	—	—	—	—	—		—	—	—
—	—	935,571	264,407	—	—		—	709,346	4,910,397
—	—	(4,613,528)	—	—	(157,606)		—	—	4,771,134
$ 1,398	$8,155,600	$10,974,920	$265,738	$ 948,259	$ —		$ 2,477,798	$1,622,469	$ 11,703,107
$ 1,398	$8,155,600	$10,974,920	$265,738	$ 948,259	$ —		$ —	$1,622,469	$ —
—	—	—	—	—	—		82,798	—	11,703,107
—	—	—	—	—	—		2,395,000	—	—
$ 1,398	$8,155,600	$10,974,920	$265,738	$ 948.259	$ —		$ 2,477,798	$1,622,469	$ 11,703,107

Statement of Revenue Bonds

December 31, 1959

		Series
	Total	Interest Rate
REVENUE BONDS, by year of maturity:		
1960	$ 2,000,000	3⅜%
1961	2,000,000	3⅜
1962-1965	8,000,000	3½
1966-1972	13,000,000	3⅝
1978	58,717,000	3¾
1982	29,260,000	—
REVENUE BONDS, per balance sheet	$112,977,000	

FUNDS UNDER CONTROL OF REVENUE BOND TRUSTEE, classified as special funds in balance sheet:

Serial bond maturity	$ 1,000,000
Sinking funds	1,398
Revenue bond reserves	8,155,600
Revenue bond amortization	265,738
	$ 9,422,736

1960 FUND DEPOSIT REQUIREMENTS (Note 1):

For serial bond maturity	$ 2,000,000
For monthly sinking fund deposits	1,890,400
	$ 3,890,400

NOTES:

(1) The Authority must also make deposits for semiannual interest payments and revenue bond amortization fund requirements which are explained in the notes to the financial statements.

(2) The revenue bond reserve requirements of $8,155,600 were met during prior years.

of 1947		
Amount	4½% Series of 1952	4½% Series of 1953
$ 2,000,000	$ —	$ —
2,000,000	—	—
8,000,000	—	—
13,000,000	—	—
58,717,000	—	—
—	22,369,000	6,891,000
$83,717,000	$22,369,000	$6,891,000

$ 1,000,000	$ —	$ —
459	320	619
6,400,000	1,342,140	413,460
198,231	52,863	14,644
$ 7,598,690	$ 1,395,323	$ 428,723

$ 2,000,000	$ —	$ —
1,440,400	345,000	105,000
$ 3,440,400	$ 345,000	$ 105,000

Statement of Equipment Trust Certificates

December 31, 1959

	Total
EQUIPMENT TRUST CERTIFICATES, by year of maturity:	
1960	$ 3,535,000
1961	1,505,000
1962	1,550,000
1963	1,590,000
1964	1,625,000
1965	1,655,000
1966	835,000
Total outstanding	$12,295,000
Less — Funds held by trustee for payment of principal	2,395,000
EQUIPMENT TRUST CERTIFICATES, per balance sheet	$ 9,900,000
DEPOSITS REQUIRED IN 1960 FOR PAYMENT OF PRINCIPAL	$ 1,264,167

NOTES:

(1) Additional interest is payable on the 4⅜% certificates at the rate of 1⅝% to June 1, 1960.

(2) Collateral for Series 7, 8 and 9 equipment trust certificates consists of the following:

	Series 7	Series 8	Series 9
Units —			
Propane buses	150	—	175
Elevated-subway cars	147	68	96
	297	68	271
Contract cost —			
Propane buses	$ 2,992,361	$ —	$ 3,882,850
Elevated-subway cars	8,089,662	3,992,226	6,345,145
Partial payments on elevated-subway cars	—	—	125,173
	$11,082,023	$3,992,226	$10,353,168

(3) Payments of principal and interest on equipment trust certificates are to be made from the depreciation reserve fund after requirements have been fulfilled for principal and interest on the revenue bonds.

Series 4, 5 and 6 (3¾%, 3¾% and 4% Respectively)	Series 7		Series 8 (4⅛%)	Series 9	
	3½%	4⅛%		4½%	4⅜% (Note 1)
$2,395,000	$ —	$ —	$ —	$ 575,000	$ 565,000
—	435,000	235,000	235,000	350,000	250,000
—	455,000	245,000	250,000	350,000	250,000
—	475,000	255,000	260,000	350,000	250,000
—	495,000	260,000	270,000	350,000	250,000
—	505,000	270,000	280,000	350,000	250,000
—	255,000	140,000	140,000	175,000	125,000
$2,395,000	$2,620,000	$1,405,000	$1,435,000	$2,500,000	$1,940,000
2,395,000	—	—	—	—	—
$ —	$2,620,000	$1,405,000	$1,435,000	$2,500,000	$1,940,000
$ —	$ 35,833	$ 19,167	$ 19,167	$ 604,167	$ 585,833

Statement of Transportation Property and Organization Expense

Showing Balance at December 31, 1958 Plus Additions and Less Retirements During the Year 1959 and Balance at December 31, 1959

	Balance Dec. 31, 1958	Gross Additions	Retirements	Balance Dec. 31, 1959
Land	$ 13,368,903	$ 75,525	$ 38,008	$ 13,406,420
Track & Paving	7,464,574	280,210	117,559	7,627,225
Machinery & Tools	3,955,224	109,593	72,091	3,992,726
Electric Line Equipment	9,524,434	472,880	336,546	9,660,768
Buildings	23,383,960	1,161,961	155,898	24,390,023
Cars	42,146,158	2,849,598	694,302	44,301,454
Buses	58,637,180	3,145,117	1,953,350	59,828,947
Work Cars, Autos & Service Equipment	1,645,867	138,371	66,794	1,717,444
Furniture	1,248,466	49,671	7,817	1,290,320
Signals & Interlocking	666,315	150,318	22,862	793,771
Crossings, Fences & Signs	882,931	48,645	1,339	930,237
Elevated Structures	6,687,255	124,366	18,222	6,793,399
Substation Equipment	1,695,560	153,249	77,695	1,771,114
Telephone & Communications	507,698	61,357	8,378	560,677
Engineering	46,623	—	—	46,623
General & Miscellaneous	3,511,153	372,250	138,230	3,745,173
Total Transportation Property	$175,372,301	$9,193,111	$3,709,091	$180,856,321
Organization Expense	85,316	—	—	85,316
TOTAL	$175,457,617	$9,193,111	$3,709,091	$180,941,637

Revenue Equipment Owned

December 31, 1959

	On Hand Dec. 31, 1958	January 1, 1959 to December 31, 1959		On Hand Dec. 31,1959
		Acquired	Retired	
Surface System:				
Streetcars —				
P.C.C. Cars	26	—	26	—
Total Streetcars	26	—	26	—
Buses —				
Trolley Buses	579	—	6	573
Gas — Mechanical	158	—	69	89
Gas — Hydraulic	526	—	49	477
Diesel — Hydraulic	700	—	13	687
Propane — Hydraulic	1,318	130	—	1,448
Total Buses	3,281	130	137	3,274
Total Surface Equipment	3,307	130	163	3,274
Rapid Transit System:				
Elevated Cars — wood and steel	16	—	16	—
Elevated — Subway Cars —				
Steel, conventional type	448	—	2	446
Metal, articulated	4	—	—	4
Metal, P.C.C.	670	96	—	766
Total Rapid Transit Cars	1,138	96	18	1,216
Total Revenue Equipment Owned	4,445	226	181	4,490

Mileage Owned, Leased and Operated

December 31, 1959

	Surface System	Rapid Transit System	Combined
Track Owned or Leased:			
Owned	73.60	174.83	248.43
Leased (Subways and Congress Expressway)	—	30.13	30.13
Total Track Owned or Leased	73.60	204.96	278.56
Revenue and Non-Revenue Track or Route Mileage:			
Revenue Miles in Operation—			
Revenue Tracks	—	160.67	160.67
Trolley Bus Lines (Single Way Miles)	246.04	—	246.04
Motor Bus Lines (Single Way Miles)	1,642.61	—	1,642.61
Total Revenue Miles	1,888.65	160.67	2,049.32
Non-Revenue Miles—			
Unused Track	70.82	1.57(1)	72.39
Service Track	2.78(2)	42.72(3)	45.50
Connecting Trolley Bus Lines and Trolley Bus Storage	17.79	—	17.79
Total Non-Revenue Miles	91.39	44.29	135.68
TOTAL	1,980.04	204.96	2,185.00

NOTES:

(1) This mileage covers Tracks located in public ways and streets which are isolated, Tracks from which electric service has been disconnected, and Tracks not used.

(2) This mileage covers Tracks located in 78th and Vincennes yard, and steam railroad track connection into South Shops plant.

(3) Includes 14.63 miles of Main Line Storage Track, and 3.68 miles of freight Gauntlet Track, Evanston Branch. Balance consists of Track in yards and carhouses.

Operating Statistics

For Year Ended December 31, 1959

	Surface System	Rapid Transit System	Combined
Passenger and Traffic Statistics:			
Revenue Passengers	432,684,329	113,330,994	546,015,323
Revenue Vehicle Miles—			
Cars	—	44,325,456	44,325,456
Trolley Coaches	18,226,411	—	18,226,411
Motor Buses	91,693,852	—	91,693,852
Total Revenue Vehicle Miles	109,920,263	44,325,456	154,245,719
Gross Revenue per Vehicle Mile	92.27c	64.19c	84.20c
Revenue Vehicle Hours—			
Cars	—	—(1)	—
Trolley Coaches	1,929,987	—	1,929,987
Motor Buses	9,056,088	—	9,056,088
Total Revenue Vehicle Hours	10,986,075	—(1)	10,986,075
Power Statistics:			
Direct Current Kilowatt Hours	70,554,769	203,089,972	273,644,741
Average cost per Kilowatt Hour	—	—	1.90c
Motor Bus Fuel Statistics:			
Gasoline—			
Gallons	5,940,946		
Average Miles per Gallon	2.67		
Diesel Fuel—			
Gallons	5,202,127		
Average Miles per Gallon	4.21		
Propane Fuel—			
Gallons	24,523,652		
Average Miles per Gallon	2.20		

(1) Not Available.

Route and Terminal Changes

Route and Number	Effective Date	Description of Change
West 31st Street (31A)	1-31-59	West terminal changed due to the construction of a bridge over the railroad starting at Kostner Avenue. Buses were routed west on the north service drive to Kilbourn, south on Kilbourn to the south service drive and east on the south service drive to Kostner. The former operation had been a U-turn at 31st & Kostner.
Division Street (70)	2-17-59	West terminal changed from the location on Division east of Austin to a location on Division east of Mason Avenue.
71st Street (71)	3-10-59	Early morning service expanded by 15 minutes. First weekday trip now leaves at 4:50 A.M. and first Saturday trip now leaves at 5:05 A.M.
Southport (46)	4-17-59	South terminal changed from a wye at Cortland and Wood to a wye at Cortland & Paulina.
26th-31st Street (31)	5-13-59	Rerouted to operate east on 31st Street to South Park, north on South Park to Cottage Grove, northwest on Cottage Grove to 25th Street and west on 25th Street.
West 79th Street (79A)	6-21-59	Rerouted to operate from the Western Avenue loop to a loop turn-around in Scottsdale Shopping Plaza near 79th & Kilpatrick. This routing replaced a west terminal loop via Pulaski, 76th, Cicero and 79th St. formerly operated to serve the Ford Aircraft Engine Plant on 76th St. where decreased activity no longer warrants the service. Better service is now furnished the Scottsdale residential and shopping area and turn-around mileage is reduced considerably.
51st55th Street (51)	6-21-59	Converted the 51st-55th Trolley Bus route to Motor Bus Operation and changed it to operate on 51st Street between St. Louis Avenue and an east terminal loop via 51st St., Drexel, Bowen Drive and Cottage Grove Avenue. This routing replaced the former trolley bus routing on 51st Street. A new bus line, 55th Street, replaced the former operation on 55th Street. This 55th St. bus line operates between Garfield Blvd., Morgan Street and the Museum of Science and Industry via Garfield Blvd., Park Drives in Washington Park, 55th Street and Hyde Park Blvd. with an east terminal loop via Museum Drive, Everett Avenue and 57th Blvd.
59th-61st Street (59)	6-21-59	Discontinued the extension of the 59th-61st route to the Museum of Science and Industry. The shortened line terminates at Stony Island-60th Street. Service to the Museum is provided by the above-mentioned new 55th Street motor bus line.
South Cicero Avenue (54B)	6-21-59	Extended Weekday and Saturday service from 76th and Cicero Avenue south on Cicero to 79th Street and then east to a new terminal loop in Scottsdale Shopping Plaza near 79th-Kilpatrick.
South Pulaski (53A)	6-21-59	Extended weekday rush hour service on South Pulaski to operate via Pulaski to 86th Street looping via Pulaski, Columbus Avenue, 86th Street. During off-peak hours and Saturdays and Sundays the south terminal of the line was changed to Pulaski-76th Street. These terminals replaced the former terminals at 76th-Kilpatrick during weekday rush hours and 76th-Keeler during off-peak hours and on weekends.

Route and Number	Effective Date	Description of Change
Kedzie-Homan (52)	6-27-59	Abandoned Saturday service south of 31st Street due to lack of patronage. The service formerly was operated during a 3½ hour morning rush period, 2 hours around noon and 2½ hours during the P.M. rush period.
Montrose-Lawrence (81A)	6-28-59	On days when weather conditions required, route was changed to operate via Simonds Drive between Montrose and Lawrence Avenues to better serve the Montrose Beach.
South Chicago-Ewing (30X)	7- 6-59	Extended weekday rush hour Express service from former south terminal at Ewing-108th St. to the Republic Steel Company terminal at 116th-Burley. The 108th Street terminal was abandoned. Some local stop trips which had used the 116th-Burley terminal were cut back to use a new terminal on Indianapolis Blvd. at 101st Street.
North-Narragansett-Irving Park (86)	8- 3-59	Extended certain A.M. and P.M. weekday rush hour trips north on Cumberland Ave. from the Irving Park-Pueblo terminal to a new off-street terminal on the west side of Cumberland Ave. north of Montrose Avenue.
South Halsted (42B)	8-14-59	Rerouted south terminal loop via Halsted, Vermont, Lowe, 127th St., replacing a loop via Halsted, 127th St., Emerald, 126th St. Change made to enhance public relations and to extend service approximately one-quarter mile into an area of new development.
Jeffrey Express (5A)	9-14-59	Improved frequency and scope of service to accommodate increased patronage. Closed mid-day headway from 15 min. to 12 min. frequency. The first northbound morning trip was started at 6:13 A.M., 8 minutes earlier. The first southbound afternoon trip was scheduled 15 minutes earlier, leaving Wacker Drive at 3:20 P.M. The last afternoon southbound trip was scheduled 10 minutes later, leaving Wacker Drive at 6:10 P.M.
Canal-Wacker (15)	9-19-59	Reduced Saturday service by 1 hour and 45 minutes due to lack of patronage. The last trip northbound leaving 23rd-Canal was changed from 6:30 P.M. to 4:45 P.M. and the last southbound trip leaving Navy Pier was changed from 6:59 P.M. to 5:14 P.M.
Addison (152)	10-31-59	Addison buses turning back at Harlem Avenue were changed to operate counter clockwise around the terminal loop via Neva, Waveland, Harlem in place of the former clockwise operation to conform with newly designated one-way streets in the area.
Morgan-Racine (23)	12- 2-59	Rerouted northbound to operate via Sangamon, Hubbard, Morgan and Grand, replacing the routing via Sangamon and Grand. This change was necessary on account of Northwest Superhighway construction work.
Windsor Park (24)	12- 6-59	Abandoned owl service due to lack of patronage. Six round trips leaving 79th-Coles at 1:56 A.M. and every 30 minutes thru 4:26 A.M. were discontinued.
Southport (36)	12- 6-59	Abandoned owl service due to lack of patronage. Five round trips leaving Belle Plaine Avenue at 2:02 A.M. and every 30 minutes thereafter thru 4:02 A.M. were discontinued.

Route and Number	Effective Date	Description of Change
Dearborn Bridge	11- 2-59	The closing of Dearborn Street Bridge preparatory to construction of a new bridge required rerouting of the following lines:
Broadway (36)		Routed northbound via Dearborn, Wacker and State replacing the routing via Dearborn, Kinzie, and State.
Clark Street (22)		Routed northbound via Dearborn, Wacker, and Clark replacing the routing via Dearborn, Kinzie, and Clark. A special northbound lane on the normally one-way southbound Clark Street was supplied between Wacker and Kinzie.
Division Street (70)		Routed northbound via Dearborn, Wacker and State replacing the routing via Dearborn, Hubbard, and State.
Wentworth Avenue (22A)		Routed northbound via Dearborn, Wacker and Clark replacing the routing via Dearborn, Kinzie and Clark. The total length of this line was reduced by this rerouting with the north terminal at Wacker Drive (south side of the river) instead of at Kinzie Street.

Surface Roadway Improvements

A total of 4.33 track miles in streets were covered with asphalt in connection with resurfacing work by the City and State. The total length of track that has been removed in connection with the repaving work, since the Authority was founded in 1945, is 133.14 miles. In that period 835.26 single track miles were covered with asphalt.

Three new off-street terminals were opened during the year 1959 and six off-street terminals were abandoned.

At December 31, 1959, there were 98 off-street terminals in use. During its modernization and expansion programs the Authority has spent $1,852,500 to acquire land, construct buildings and platform shelters, pave driveways, provide utilities, and landscape off-street terminals to provide vehicle loops and terminals for the safety and convenience of its patrons and the general public, and to speed the flow of traffic by eliminating the need for on-street turn-arounds and parking buses on city streets.

PRODUCTION BY
RINGLEY-O'BRIEN PRESS, CHICAGO

FOR IMMEDIATE RELEASE

With operating revenues totaling $129,880,875 in 1959, Chicago Transit Authority met all of its fixed charges for the year, wiped out a deficit of $600,631 in depreciation reserve deposits carried over from 1958, and had $264,407 available for advance retirement of bonds, according to its annual report released today.

For 1959, operation and maintenance costs were $111,114,989, debt service obligations were $7,789,956, and depreciation requirements were $10,390,470.

Along with these salient facts, the 1959 annual report highlights important data about CTA service and operations, and presents a comprehensive review of CTA's modernization and improvement program, the most extensive in the history of local transit in Chicago.

Revenue passengers for 1959 totaled 546,015,323, up 12,721,280 from the total of 533,294,043 in 1958, an increase of 2.39 per cent. Rapid transit system revenue riders totaled 113,330,994, an increase of 5.85 per cent from the previous year. Surface system revenue passengers totaled 432,684,329, an increase of 1.52 per cent.

Total expenditures and commitments under the modernization and replacement program since the CTA took over the management of transit properties in 1947 aggregated approximately $146,721,000 through the end of 1959, the report points out. Of this amount, $69,004,000 was for 3,612 surface system streetcars and buses and $42,518,000 for 774 rapid transit cars. The cash cost for modern rolling stock was about $103,542,000 after allowing $7,980,000 salvage value realized on PCC streetcar components used in the construction of 570 new "L"-subway cars.

(MORE)

[illegible] operating revenues totaling $129,[illegible] in 1959, Chicago Transit Authority met all of the fixed charges for the year, without [illegible] depreciation reserve deposits carried over from 1958, and [illegible] available for retirement of bonds, according to the annual report released today.

In 1959, operation and maintenance costs were $114,[illegible], debt service requirements were [illegible],785,[illegible], and depreciation requirements were [illegible].

Along with these salient facts, the 1959 annual report highlights [illegible] about CTA service and operations, and presents a comprehensive review of CTA's modernization and improvement program, the most extensive in the history of local transit in Chicago.

[illegible] for 1959 totaled [illegible],015,[illegible], up [illegible] from the [illegible] in 1958, an increase of 2.39 per cent. Rapid transit [illegible] and other riders totaled 147,530,994, an increase of [illegible] per cent from the previous year. Surface system revenue passengers totaled [illegible], an increase of 1.5[illegible] per cent.

Total expenditures and commitments under the modernization and replacement program since CTA took over the management of transit properties in 1947, reached approximately $246,221,000 through the end of 1959. Of the [illegible] was for [illegible] surface system [illegible] and [illegible] for [illegible] rapid transit cars. The [illegible] cost for modern rolling stock was about [illegible],542,000 after allowing [illegible] value realized on PCC streetcar components used in the [illegible]

In addition to the expenditures for new passenger carrying equipment, the aggregate figure of $146,721,000 includes $35,199,000 for construction of three new operating garages and modernization of other facilities such as shops, garages, machinery and fixed transportation equipment.

During the year, CTA's fleets of modern revenue vehicles were increased by delivery of 96 all-metal, light-weight, high-performance rapid transit cars and 130 odorless propane-fueled (LP-gas) motor buses costing a total of $8,590,000.

The report notes that in order to maintain a modern fleet of 2,800 motor buses and 570 trolley buses having efficient life expectancies of 12 years and 18 years respectively, it is necessary to schedule a replacement program for providing for the acquisition and retirement of 265 buses per year.

The increase in revenues for the year, the report states, reflected the improvement in the local economy, and the continued benefits derived from operating efficiencies.

It was pointed out that the overall 2.96 per cent increase was primarily due to an upswing in riding and to a lesser degree to fare adjustments which became effective September 7 and December 1. Improvements of two per cent in metropolitan employment, one and one-half per cent in the State street stores sales index and of five and one-half per cent in the sales index for other Chicago stores were cited as contributing factors to increased passenger riding.

(MORE)

Other highlights of the year noted by the annual report were:

(1) The completion of the first stage of the program to improve train operations through the Wilson avenue station area, where a new third track went into service on November 30. A contract to complete the second phase of the $1,800,000 program also was awarded during the year. This calls for the erection of new steel structure and the reconstruction of a part of the present steel structure across Broadway in the vicinity of Leland avenue and the construction of a new steel structure in the train yards south of Wilson avenue. When the steel construction is completed and tracks are laid, there will be four tracks, instead of two tracks through the station area. This will eliminate the former bottleneck caused by the merging of four-track rights-of-way on each side of this station into a two-track right-of-way for a distance of about 1,500 feet through the station area, and will greatly improve the speed and safety of operation.

(2) Completion of final arrangements to start the $4,000,000 cooperative project providing for the relocation of two and one-half miles of CTA's rapid transit tracks from ground level to an adjacent elevated embankment owned by the Chicago and North Western Railroad on the Lake street branch. Initial construction work got under way January 13, 1960.

(MORE)

(3) The continued progress made in construction of the Congress Street Expressway in 1959, made it possible, on March 20, 1960, for CTA to commence operation over its permanent right-of-way in the Congress Expressway west of Lotus avenue (5432 West) to the Desplaines terminal in Forest Park. Coincidental with this, plans were advanced during the year on the $1,300,000 project to construct terminal shops and yards and other facilities at the Desplaines terminal, contracts for which were awarded in 1959 and building construction was scheduled to start by mid-1960.

(4) Work on the consolidation of CTA's West Shops repair and overhaul facilities with those of South Shops made steady progress through 1959. The first stage of this $4,707,000 project, which is well on the way to completion, provides for consolidation of the machine shops, unit repair shops, related storerooms, and shop offices. These departments were consolidated at the new location by June 1, 1959. The second stage calls for the construction and equipping of a new major bus overhaul shop to house the remaining shop departments. Target date for completion and occupancy is 1961.

(MORE)

During the year the cost of fighting snow and icy conditions was a considerable item. CTA spent approximately $900,000 and the City of Chicago $1,200,000 in keeping transit streets open for service during winter storms.

For the fifth consecutive year, CTA employes in 1959 established a new public safety record. There were fewer traffic and passenger accidents during the year than in any previous year of CTA operation. Of greater significance is the fact that traffic and passenger accident frequency rates -- based on number of miles operated on both the rapid transit and surface systems -- were the lowest in CTA's history.

Employes benefited from new three-year wage contracts negotiated, effective December 1, 1959, which provided that the then current cost-of-living allowance -- 12½ cents -- be incorporated into the basic hourly wage rate. Agreements with the two unions representing a large majority of the employes provided for additional hourly increases of 5½ cents on December 1, 1959, and 5 cents each on December 1, 1960 and 1961, and a cost-of-living allowance to start on or after March 1, 1960, and adjusted quarterly thereafter.

Other changes included in all agreements provided for an increase in sick and accident insurance payments from $40 to $50 per week, an increase in hospital insurance from $4.50 to $6.00 per day and in doctor's treatments from $2.50 to $3.50 each. In addition, a two-day waiting period was established for seven-day sick pay except where the absence extends to two weeks or more, and life insurance is provided for employes retiring after June 1, 1957, of $1,000 for the first year of retirement and $500 for the balance of the period covered by the current agreement.

(MORE)

Pension contributions increased $476,987 because of an increase in the contribution rate to seven and one-half per cent effective January 1, 1959, from seven per cent in 1958, and higher employe earnings in 1959. Employe contributions also increased from three and one-half per cent to three and three-quarter per cent.

Federal insurance contributions (old age benefits) increased $299,253 because the 1959 tax rate was increased to two and one-half per cent on the first $4,800 of wages from the 1958 rate of two and one-quarter per cent on the first $4,800 of wages. This increase, amounting to $25.50 per employe, added approximately $345,000 to 1959 expenses which was partially offset by savings resulting from personnel reductions.

Employes' group insurance costs increased $75,550 primarily as a result of higher loss ratios which had a direct influence on net premium rates, and to a lesser degree, by reason of an increasing number of pensioners retired after June 1, 1957, who are now carried on the life insurance rolls.

The total number of employes in service at the end of 1959 was 13,590, a decrease of 355 from the 13,945 at December 31, 1958, and a decrease of 9,778 from the 23,368 employes in service at dates of acquisition of properties from predecessor companies. During the year, 427 employes retired on pension and 335 retired employes died. At December 31, 1959, there were 5,490 retired employes receiving pension payments.

(MORE)

The term of V. E. Gunlock, as a member and chairman of Chicago Transit Board, expired September 1, 1959. Mr. Gunlock, who had been a member and chairman of the board since July 1, 1954, was reappointed a board member for a seven-year term expiring September 1, 1966. The appointment was made by Mayor Richard J. Daley, and approved by Governor William G. Stratton. Mr. Gunlock was reelected chairman of the board for a term of three years beginning September 1, 1959, and filed his oath of office with the Secretary of State on November 10, 1959.

#########

FROM: CHICAGO TRANSIT AUTHORITY
DEPARTMENT OF PUBLIC INFORMATION
H. L. POLLAND, DIRECTOR
MDSE. MART PLAZA, P.O. BOX 3555, CHICAGO 54, ILLINOIS
TELEPHONE: MOHAWK 4-7200
8/4/60

METROPOLITAN
TRANSIT
CTA